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FISCAL IMPACT REPORT

ORIGINAL DATE 2-13-2007

SPONSOR Swisstack LAST UPDATED _____ HB 282

SHORT TITLE Military Veteran Lottery Scholarship SB _____

ANALYST Dearing

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	*NFI	Recurring	Lottery Scholarship Fund
	*Please see narrative		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$96.2	\$96.2	\$192.4	Recurring	Lottery Scholarship Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Bill 685

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Veterans' Services Department (VSD)

SUMMARY

Synopsis of Bill

House Bill 282 carries no appropriation. If enacted, House Bill 282 would amend Sections 21-1-4. 3; 21-13-10; and 21-16-10.1 NMSA 1978. House Bill 282 would extend eligibility for the New Mexico Lottery Success Scholarship program to extend scholarship program eligibility to certain currently ineligible returning military veterans.

FISCAL IMPLICATIONS

*No appropriation. If enacted, House Bill 282 would extend the amount of time that an exiting (separating) military veteran has eligibility to scholarships through the Lottery Success program. Under the current framework, an individual has until the 120th day following the last day of enlistment to enroll into a New Mexico post-secondary institution and still remain eligible for scholarships. House Bill 282 would alter this framework such that a departing military member would have 12 months from their end of active service to attend a post-secondary institution, and remain eligible for the program.¹

The fiscal impact would be incurred by the Lottery Tuition Fund. The Higher Education department estimates that approximately 75 additional veterans of the armed forces could become eligible to receive the Lottery Success Scholarship were House Bill 282 enacted. Using this estimate of additional impact, the estimated additional operating budget costs of the program would be \$96,200 in FY08. This impact will be recurring.

SIGNIFICANT ISSUES

Since 1996, the New Mexico Lottery has raised more than \$300 million for education in New Mexico. In that time, more than 43,000 students from across the state have attended New Mexico public colleges, universities, and technical colleges with the help of a Lottery Success Scholarship. The scholarship pays for tuition for up to eight consecutive semesters beginning with the second semester of college enrollment.

The following table shows the prior federal fiscal year U.S. military inductees hailing from New Mexico. Enactment of House Bill 282 would affect a small portion of annual inductees for several reasons. These include the separating veteran relocating to their last duty station and long-term enlistments whereby the *retiring* individual does not seek scholarships for continuing educational opportunities.

Another significant consideration is availability to veterans of educational benefits under the federal Montgomery G.I. Bill; as these are broadly available to nearly all new-era veterans.

FFY06 New Mexico Military Inductees	Count	%
United States Navy	287	19.2%
United States Marines	321	21.4%
United States Air Force	233	15.6%
Unites States Army	657	43.9%
TOTAL	1498	100%

Table 1. Federal fiscal year numbers provided courtesy of Naval Recruiting Station, ABQ.

Currently, students who enter into the armed forces within 120 days of high school graduation are eligible for the Lottery Success Scholarship if they attend a New Mexico college or university within 120 days after their discharge from the service. However, the financial aid division of the New Mexico Higher Education Department receives appeal letters and telephone calls from veterans of the armed forces when they miss the 120 day deadline. In reviewing these appeals, the Higher Education department provides the following scenario under which a separating veteran would be ineligible.

¹ In both the existing and proposed legislation, the individual must have *entered* into service within 120 days of graduation from a New Mexico high school or acquisition of general equivalency degree certificate.

- Student is discharged from service on 08/31/06, but fall semester has already begun. The student must wait until the spring semester to begin college, which begins on 1/15/07. This is a total of 137 days and under current law, the student is ineligible to receive the Lottery Success Scholarship.

DUPLICATION

House Bill 282 duplicates House Bill 685.

RELATIONSHIP

House Bill 282 relates to House Bill 275 and House Bill 361. Both of these pieces of legislation expand eligibility for the Lottery Success Scholarship to currently ineligible sub-sets of the population. House Bill 275 expands this eligibility to students attending tribal colleges and House Bill 361 expands eligibility to military *dependents* of New Mexico residents.

ALTERNATIVES

Currently ineligible veterans can apply and qualify for other state and federal programs, including the Montgomery G.I. Bill.

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